FAMILIAR SCALES IN HIGHER OCTAVE

By Broadus Mitchell

THE theory of national recovery put forth at Washington may have any one of three explanations: first, that the measures taken or proposed will get the country out of the present jam and, if followed up, will ensure greater stability in the future; second, that the steps sponsored, while in themselves of limited usefulness, have the virtue of conforming to constitutional and democratic method, and offer therefore the best approach to more lasting reforms; third, that the economic crisis calls for more thoroughgoing action, but that the fortunes of the party in power would be ruined by a resort to radical expedients.

One suspects, on reading President Roosevelt's "Looking Forward," that his inspiration falls in the first category. Professor Tugwell's "Industrial Discipline" and the recommendations of the joint authors of "The Internal Debts of the United States" would persuade one that these writers hold to the second motive. With all office-holders there is apt to be an infusion of the third consideration, but, at the present stage, I am willing to take the proponents of the New Deal at their own dignified professions of high-mindedness and believe that political inhibitions have been reduced to a minimum.

Though the President's volume, according to the Introduction, is better than a collection of campaign speeches, and its materials have been supplemented and re-worked to represent his philosophy of government, it is manifest throughout the pages that the crowded days since inauguration have very naturally committed him to policies which contradict much that was earlier set forth. Thus, since the

Looking Forward. By Franklin D. Roosevelt. New York: The John Day Company. $2.50. *The Industrial Discipline and the Governmental Arts.* By Rexford G. Tugwell. New York: Columbia University Press. $2.50. *The Internal Debts of the United States.* Edited by Evans Clark. New York: Published for Twentieth Century Fund, Inc., by The Macmillan Company. $4.50.

appointment of a Federal Relief Administrator and an Industrial Recovery Administrator and others, it is difficult to continue to assert that "the local government is the point of contact with the average citizen, and whatever the Federal Government may or may not do to . . . assist his life and his future, the action of his local government is what most closely and most quickly affects him." On the other hand, the pronouncements of the book are on the whole consistent with President Roosevelt's recent action in killing the World Economic Conference in order that currency stabilization proposals should not slacken the pace of American national recovery.

It is hard to understand why he should have tried to make it appear, as he does in the Introduction, that the policies of the Democratic party have been historically consistent. He wants to give Jefferson much of the conception and purpose which was conspicuously not his, but Hamilton's. If these two could come back today, to the seat of government, it is Hamilton who would be gratified, and Jefferson who would be disgruntled. Judged by President Roosevelt's policies, Jefferson is surely not "the one who at all times looked the farthest into the future."

The book as a whole is grounded in the belief that "economic laws are definitely man made." This issues, very naturally, in a hortatory method, and one is not surprised to find the same contention reappearing, with some asperity toward professional economists who hold the evolutionary view, in the President's radio plea for popularization of the Blue Eagle insignia. In recognizing that his dependence is in moral arousal, one has said the best and the worst of his doctrine.

Professor Tugwell's book, considered in connection with the President's volume and in the light of actions taken at Washington, shows what a large part this Columbia economist and Assistant Secretary of Agriculture has had in the policies of the new administration. Dr. Tugwell was a

student (there is reason to suppose a favorite student) of Patten of Pennsylvania, who was remarkably successful in giving his men a passion for social amelioration. Patten in his time saw enough of the machine age in America to give him a boundless optimism over its productivity, but not enough to reveal to him the direct consequences of too great productivity in certain directions. Patten could still lay emphasis upon the importance of careful consumption. He never grasped the necessity of deliberate collectivist control over production processes.

Dr. Tugwell, in the light of events since the World War, has made the advance of recognizing that we must organize for management of the machine if we are not to starve in the midst of plenty; but his defect, as I see it, is in not understanding the conditions under which alone this can be accomplished. Making the greatest allowance for the propriety of his respect for economic habit, and for his desire to use in the work of reform the industrial techniques which we have built up, I cannot escape the conviction that his excellent intentions cannot be carried out under his self-imposed limitations. Tugwell believes that an enlightened and conscientious national government can effect economic planning within the capitalist system. General Hugh Johnson has made the profound remark, as he sweated at his desk, that the devices of the National Recovery Administration are "complicated as hell." In viewing the task which Tugwell sets himself, one is reminded of the inventor who worked at the project of a Chinese typewriter and went crazy. The checks and balances, the circumspect advance and constant readiness to retreat, the necessity of not letting the right hand know what the left hand doeth, the multiplicity and perversity of contradictions are bound, unless a miracle happens, to end in an impossible snarl. The knot cannot be untied, but must be cut. The fly in the ointment, "the ounce of bitter in the pound of sweet," is the private ownership of the social means of production, which brings in its train, of necessity, the profit motive and the price system.

If we really want a new economic policy, says Dr. Tugwell, "there seems reason to believe that, by using already familiar instruments, what is necessary to be done will be readily possible." And again: "Theoretical adherence to any plan is not nearly so important at present as the attitude implied in searching for alternatives. I am convinced, however, that our way of escape from contemporary dilemmas lies generally in the direction of escaping conflict and discovering consent." This method closes eyes, as it seems to me, to the fact that capitalism is built upon class cleavage, and that so long as capitalism remains, harmony is only a touching hope.

"Do as little violence as possible to what we have," becomes the maxim of the book and the philosophy of which it is an expression. The author seems to forget the violence which the capitalist system, so tenderly regarded, has done in the past and does at this moment. Much constitutional infringement may be permitted, and several rude shocks to private property may be accepted, in the light of the major cruel heedlessness of fourteen millions of unemployed, not to speak of thorough industrial dislocation and the persistent wastes of competition. The reader of this review may object that this is no time for socialist or communist dogma, and may feel grateful that practical men in Washington are wrestling with confronting problems in an American way. I venture to think that, despite their honesty and their gallant efforts, these are not practical men. I do not pretend to say what is "the American way," but it becomes constantly more evident that security against economic instability calls not for moral perspiration, but for clear mental vision. In mingled fear and hope we have applied treatment. Now a wise physician, if not the patient himself, asks for the surgeon's knife. The corrosion lies in private ownership in the means of social existence; these means may not be controlled by eloquent appeal or by working ourselves into a lather. Ownership of the nation's productive instruments must pass from private profit-takers to the hands of

the public in order that they may be operated for the common advantage. The President and his talented lieutenant do not seem to me to have come to grips with the problem. If they look forward to the socialization of the means of production, they have taken pains not to say so.

The authors of "The Internal Debts of the United States" have scouted in a critical quarter of the present stricken field, where the issue is joined between fixed obligations and shrunken incomes. They report that the total long-term debts of the country, public and private, amount to 134 billions, of which less than nine billions, contrary to popular apprehension, are in farm mortgage loans. The present long-term debt represents an increase of ninety-six billions from the pre-war figure. Short-term debts, embracing business, personal, and household obligations, amount to something over 103 billions. The recommendations are aimed at "action giving temporary support to the existing debt structure, and . . . active measures to induce business recovery"—this in the belief that, generally speaking, it is not possible to tell which debts are essentially unsound until there has been some measure of business rehabilitation. Much scholarship and discernment has been used in the study, for which trustees of the Twentieth Century Fund and the investigators whom they engaged deserve public thanks. The authors have recognized everywhere their obligation to follow woeful exhibit with painstaking suggestion for remedy. But, in the remedies intended to reach over a period, one finds fertile, even desperate, compromise, rather than simple resolution. Who was it who said, in reviewing possible escapes from suspension of specie payment, that "the way to resume is to resume"? In the present intricate proposals for nicely articulated adjustment of debt fabric to the economic body one may see the busy Lilliputians tying fancy knots in the threads that bound Gulliver, all unknowing that in the next hour the exhausted giant would stir.